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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE
COMPANY,

USA CAPITAL REALTY ADVISORS,
LLC,¹

USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED
FUND, LLC,²

USA SECURITIES, LLC,³
Debtors.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR¹
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR²
Case No. BK-S-06-10729-LBR³

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725 LBR

**REPLY IN SUPPORT OF OMNIBUS
OBJECTIONS OF USACM TRUST
TO PROOFS OF CLAIM BASED
UPON PALM TERRACE
LITIGATION; AND CERTIFICATE
OF SERVICE**

Date of Hearing: February 20, 2009
Time of Hearing: 9:30 a.m.

The USACM Liquidating Trust (the "USACM Trust") by and through its Counsel,
hereby files its reply in support of the First, Second, Third and Fourth Omnibus Objections
of the USACM Trust to Proofs of Claim Based Upon Palm Terrace Litigation [DE 6752,
6753, 6754, and 6755], the "Omnibus Objections"), for an order disallowing Proofs of

¹ This bankruptcy case was closed on September 23, 2008.

² This bankruptcy case was closed on October 12, 2007.

³ This bankruptcy case was closed on December 21, 2007.

1 Claim filed by individual defendants in the Palm Terrace, LLC *et al* litigation. In support
2 thereof, the USACM Trust states as follows:

3 1. The Palm Terrace Claimants filed Responses to the Omnibus Objection of
4 USACM Trust to Proofs of Claim Based On Palm Terrace Litigation [DE 6807, 6808,
5 6809, and 6810] on February 12, 2009 and the Declaration of Jonathan A. McMahon filed
6 concurrently therewith [DE 6811].

7 2. The responses make clear that the Palm Terrace Claims were duplicative both
8 because the individual claimants filed claims that were duplicative of one another and
9 because each claimant filed two separate claims for \$ 2 million.

10 3. The response clarifies that WOW Enterprises, Inc., (Claim # 10725-00918) is
11 making a claim for \$184,965.74 for legal fees incurred to defend Palm Terrace Litigation
12 and that the remaining Palm Terrace Claimants have assigned their claims in these
13 proceedings to Claimant WOW Enterprises, Inc. The claim for attorneys' fees was not
14 asserted as part of the original claim.

15 4. The USACM Trust disputes WOW Enterprises' claim for \$184,965.14 for the
16 reasons set forth in the Omnibus Objection.

17 5. The USACM Trust requests that the Court enter an Order that disallows in full
18 all of the Palm Terrace Litigation Claims set forth on the Exhibits to the First, Second,
19 Third and Fourth Omnibus Objections except for claim no. 10725-00918 filed by WOW
20 Enterprises, Inc. As to the WOW Enterprises claim, which is for \$ 2 million, the USACM
21 Trust ask that the Court disallow it to the extent it exceeds the \$184,965.14 claimed in the
22 response and set a scheduling conference for the parties on what remains of the claim.

23 **I. CONCLUSION**

24 1. The USACM Trust respectfully requests that the Court disallow the Palm
25 Terrace Claims in full, except for Claim No. 10725-00918 filed by WOW Enterprises,
26

1 which should be disallowed to the extent it exceeds \$184,965.14, and set a scheduling
2 conference for what remains of the WOW Enterprises claim.

3 Dated: February 17, 2009.

4 LEWIS AND ROCA LLP

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11 Copy of the foregoing e-mailed on
12 February 17, 2009 to:

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